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STATE FOR EAP/K AND EAP/ANP

E.O. 12958: DECL: 10/05/2017

TAGS: PREL PARM KNNP EAID

SUBJECT: AUSTRALIA RESPONSE TO AGREEMENT ON SECOND PHASE ACTIONS AT SIX-PARTY TALKS

REF: STATE 139753

Classified By: Political Counselor James F. Cole for reasons 1.4 b, d.

¶1. (U) Poloff delivered reftel points and paper to Andrew Willis, Acting Director for Korean Affairs, Department of Foreign Affairs and Trade (DFAT), on October 5.

¶2. (U) Willis referred to Foreign Minister Downer's media release the previous day in which Downer welcomed the agreement on "Second Phase Actions for the Implementation of the Joint Statement," in particular North Korea's commitment to declare all of its nuclear programs and disable the Yongbyon nuclear reactor, reprocessing plan and fuel fabrication facility by year's end. In the statement, Downer noted he had met with North Korean Vice FM Choe Su-hon in New York the previous week and had told him Australia was ready to support progress in the six-party talks through provision of bilateral development assistance. Downer said the recent agreement provided a basis for moving ahead with development assistance as well as other aspects of the bilateral relationship.

¶3. (C) Willis said Australia wanted to discuss resumption of development aid directly with senior North Korean officials. FM Downer had invited his North Korean counterpart to visit Australia during a meeting on the margins of the ARF at Manila in July. So far, however, there had been no response from the DPRK. The North Korean ambassador to Australia had recently suggested to DFAT officials that it was unlikely that either the DPRK foreign minister or vice foreign minister would be able to visit Australia this year because they were "too busy." Consequently, Australia is considering sending a team there, Willis added.

¶4. (C) Australian development aid would be small-scale and could be terminated quickly, in the event the North Koreans reneged on commitments made in the six-party talks, according to Willis. Australia envisions a modest program to help improve electricity efficiency, primarily through training in the use of remote electrical switches that were earlier provided by an Australian company before Australia suspended its aid program. Other possible aid includes contributing to the UN/FPA census and reviving an earlier aid project to improve crop yields.

¶5. (C) Australia is anxious to ensure that any provision of aid is calibrated closely with North Korea's progress in denuclearization, thus it would welcome U.S. comments and

suggestions on the scope and timing of its assistance program.

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